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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/981,626
Filing Date: October 16, 2001
Appellant(s): MELCHIOR ET AL.

Aaron S. Kamlay
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed September 21, 2011 appealing from the Office action mailed January 4, 2011.

(1) Real Party in Interest

The examiner has no comment on the statement, or lack of statement, identifying by name the real party in interest in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The following is a list of claims that are rejected and pending in the application:

Claims 4, 8, 9, 11-13, 18, 24-36 and 39-43 are pending and are the subject of this appeal. Claims 1-3, 5-7, 10, 14-17, 19-23 and 37-38 are canceled.

(4) Status of Amendments After Final

The examiner has no comment on the appellant's statement of the status of amendments after final rejection contained in the brief.

(5) Summary of Claimed Subject Matter

The examiner has no comment on the summary of claimed subject matter contained in the brief.

(6) Grounds of Rejection to be Reviewed on Appeal

The examiner has no comment on the appellant's statement of the grounds of rejection to be reviewed on appeal. Every ground of rejection set forth in the Office action from which the appeal is taken (as modified by any advisory actions) is being maintained by the examiner except for the grounds of rejection (if any) listed under the

subheading "WITHDRAWN REJECTIONS." New grounds of rejection (if any) are provided under the subheading "NEW GROUNDS OF REJECTION."

(7) Claims Appendix

The examiner has no comment on the copy of the appealed claims contained in the Appendix to the appellant's brief.

(8) Evidence Relied Upon

6,141,653	Conklin et al.	10-2000
7,069,234	Cornelius et al.	6-2006
5,970,475	Barnes et al.	10-1999

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 103

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. **Claims 4, 8-9, 11-13, 18, 24-36 and 39-43 are rejected under 35 U.S.C. 103(a) as being unpatentable over Conklin et al. (US 6,141,653) hereafter Conklin, in view of Cornelius et al. (7,069,234) hereafter Cornelius, further in view of Barnes et al. (5,970,475) hereafter Barnes.**

As per claim 4, Conklin discloses a computerized system for facilitating transactions in goods or services (Abstract), the system comprising:

a microprocessor (Col. 17, lines 13-34; discloses that the system contains a microprocessor in the form of a computer); and

a computer-readable storage medium including instructions for configuring the microprocessor to perform functions (Col. 17, lines 13-34; discloses that the system contains a computer-readable storage medium storing the software to configure the microprocessor computer to perform the functions) including:

electronic procurement of a purchase order agreement between a seller and a buyer and relating to a transaction in one or more goods or services, and for electronically storing the purchase order agreement (Figure 1h, col. 5, lines 35-40; col.7, lines 30-41; col. 13, lines 51-63 iterative bargaining and purchasing over a network which enables buyers and sellers to negotiate prices, terms, and conditions iteratively until an agreement is reached; provides a means for storing, archiving and accessing all transactions and documents; col. 14, lines 21-26 maintains internal databases with the terms of our **Purchase Order**, Figure 18 Notification of **Purchase Order** Acceptance);

electronic modification of the purchase order agreement upon agreement by the seller and the buyer to the proposed modification (col. 13, lines 51-63; iterative bargaining and purchasing over a network which enables buyers and sellers to negotiate prices, terms, and conditions iteratively until an agreement is reached; provides a means for storing, archiving and accessing all transactions and documents; col. 14, lines 21-26; maintain internal databases that contain a history of all transactions, Figure 11a-1; In accordance with the terms of our **Purchase Order**, Figure 18; Notification of **Purchase Order** Acceptance; Figure 1e (244) state **changes**; col. 13,

lines 51-55; col. 14, lines 27-30; provides comprehensive iterative bargaining abilities for both buyers and sellers that enable them to negotiate all the terms and conditions of transaction col.24, lines 1-41 keeps track of each set of changes and can display them; col. 24, line 66 thru col. 26, line 18; Iterative multivariate negotiations);

receiving a proposed modification to the purchase order agreement (Col. 13, lines 51-55, Col. 14, lines 27-30, Col. 20, lines 23-34; disclose that the process is iterative and until the process is accessed all modifications are proposed modifications, these proposals are received in the system);

notifying at least one of the seller and buyer of the proposed modification (Col. 20, lines 49-63; discloses that each user with their corresponding rights can access and be notified of the proposals concerning their orders, thus a means for notifying has been provided to both the seller and the buyer);

receiving and storing electronic evidence that the seller has performed in connection with fulfilling the seller's obligations as defined by the purchase order agreement as modified by any modifications (Figure 1g (68) **Deal concluded and archived**; Figure 8 (580, 585); Figures 15a-23; Figure 30; col. 14, lines 59-62 complete histories of each stage of the negotiation processes are available for tracking and analysis which promotes non-repudiation of negotiated terms; Figure 30, col. 26, lines 65 thru col. 27, documentary collection payment methods, purchase order payment methods, procurement cards and similar methods can be used and negotiated using this invention; col. 6, lines 20-21);

electronically evaluating whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications (Applicant's specification page 29, lines 9-16; state that the "electronic evidence that the seller has performed in connection with fulfilling the seller's obligations as defined by the purchase order agreement as modified by any modifications. This step may represent the seller or other party entering in data to be stored in the trade database 116, such as electronic forms or documents, Indicating or proving that the seller has shipped goods to the buyer, the type and quantity of goods etc." From this the Examiner asserts that the evidence is merely an indication in the files that show the shipper has shipped the goods. Figure 1g (68) Deal concluded and archived; Figure 8 (580, 585) shows that the shipper has indicated in the database that the products have been shipped thus evaluating if the shipper has complied with their obligations to ship the product. Figures 15a-23; Figure 30; col. 15, lines 7-12 removing non-complaint participants; col. 27, lines 6-10 in a proposed letter of credit, such as shown in Figure 16, the buyer's bank assumes the full credit risk and is absolutely obligated to pay the seller provided the seller ships goods in a way that conforms to every detail to the terms of the letter of credit);

electronically providing a payment instruction if the seller has been evaluated to have complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications (Figure 17, Figure 30; col. 26, line 65 thru col. 27, line 31; disclose that all participants are continually notified by email); and

receiving and storing electronic evidence that the buyer has made one or more payments in connection with fulfilling buyer's obligations as defined by the purchase order agreement as modified by any modifications (Figure 1g (68) **Deal concluded and archived**; Figure 8 (580, 585); Figures 15a-23; Figure 30; col. 14, lines 59-62 complete histories of each stage of the negotiation processes are available for tracking and analysis which promotes non-repudiation of negotiated terms; Figure 30, col. 26, lines 65 thru col. 27, line 31, documentary collection payment methods, purchase order payment methods, procurement cards and similar methods can be used and negotiated using this invention; col. 6, lines 20-21),

wherein the electronic modification of the purchase order agreement comprises electronic negotiation between the seller and the buyer relating to the modification (Col. 14, lines 27-30; disclose that the system allows both parties the buyer and the seller to negotiate iteratively thus negotiating all of the terms of the purchase order during the process electronically).

While Conklin discloses evaluating whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications. Conklin does not disclose that the evaluating is performed electronically. Conklin further fails to explicitly disclose evaluating at least one of completeness and consistency of the proposed modifications and a means for notifying at least one of the seller and buyer of results of the evaluation of the proposed modification.

However, Cornelius discloses **electronically** evaluating whether the seller has complied with the seller's obligation as defined by the purchase order agreement as modified by any modifications (Figures 23-25, 31-32 and col. 23, lines 15-55).

Cornelius further teaches evaluating at least one of completeness and consistency of the proposed modifications and notifying at least one of the seller and buyer of results of the evaluation of the proposed modification (Col. 23, lines 22-45; disclose that each document is checked once signed by the seller or buyer for compliance and that upon completion a signal is sent to the bank/buyer, thus there is a means for evaluating and a means for notifying once the evaluation is complete, it would have been obvious to use such evaluation means in Conklin to ensure each proposal is correct and accurate thus saving time).

Cornelius further teaches the system is configured to recognize different seller agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order agreement, and the system is configured to recognize different buyer agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order modifications to the purchase order agreement; and the system is configured so that the proposed modifications to the purchase order agreement, and the accepting proposed modifications to the purchase order agreement, are allows by the microprocessor based on the respective buyer and seller agents' rights (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets

forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment. Col. 34, lines 38-45; disclose that the users can be identified and the agreement made based on this identification, the buy specifically is authenticated using a password, which entitles the user to use the system).

Therefore from this teaching of Cornelius, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method of Conklin the electronic compliance evaluation taught in Cornelius so that once the compliance engine finds all structured fields/tag are in compliance, an automatic signal is sent to the bank/buyer for payment authorization and anytime the value of the data falls outside the parameter of the structure field, it is rejected and a rejection will automatically be sent and highlighted to both buyer and seller electronically for further negotiation.

While Conklin and Cornelius discuss user access levels and rights, the combination of Conklin and Cornelius fails to explicitly show that the rights and privileges are set for each user regarding a purchase order and the rights of the user who are buying and selling.

Barnes, which talks about an electronic procurement system and method for trading partners, teaches where the access rights and privileges of users is set for a purchase order (Col. 3, lines 13-20 and Col. 4, lines 5-25; teach that users are assigned authorization levels which allow them to purchase goods consistent with the user's level of authorization thus different users have different rights, when combined with Conklin and Cornelius it would have been obvious to set the rights of each user, buyer or seller, with different levels, to prevent abuses from within an organization as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system).

Therefore, from this teaching of Barnes, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method provided by the combination of Conklin and Cornelius, with the user access levels being set for each user as taught by Barnes, for the purpose of preventing abuse in the system as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system.

As per claim 8, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein the storing electronic records indicating any proposed modification to the purchase order agreement and any accepted modifications to the purchase order agreement comprises storing an indication of a chronological order in which the any proposed modifications to the

purchase order agreement and the any accepted modifications to the purchase order agreement occurred (col. 14, lines 21-26 and 48-54 and 59-62, col. 30, line 33 thru col. 31, line 25). The Examiner asserts that any database would be a means for storing. If applicant is trying to claim a log or mechanism for stamping the time of day, then applicant is directed to Cornelius (col. 96, lines 28-33 time-of-day).

As per claim 9, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein the storing electronic records indicating any proposed modifications to the purchase order agreement and any accepted modifications to the purchase order agreement comprises storing, for reference, information identifying an entity responsible for each of the any proposed modifications to the purchase order agreement and each of the any accepted modifications to the purchase order agreement, wherein the information identifying an entity comprises an electronic signature of the entity responsible for each of the any proposed modifications to the purchase order agreement (Figure 9 (605) (610) (col. 30, line 33 thru col. 31, line 25, col. 14, lines 21-26, 48-54 and 59-62; col. 32, lines 24-34). The Examiner asserts that as claimed, the fact that the information comprises an electronic signature is non-functional descriptive data since it does not alter the structure of the system. Furthermore, Cornelius discloses audit logs which record User ID, time-of-day, location of access, etc. (col. 96, lines 28-33) and Seller and Buyer signing off digitally for overall agreement (see also, col. 23, lines 22-27, col.24, lines 29-22).

As per claim 11, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein the system is further configured to evaluate whether a first set of payment guarantee criteria are met, if the first set of payment guarantee criteria are evaluated to be met, providing a payment guarantee to the seller to guarantee payment by the buyer in connection with the purchase order agreement as modified by any modifications (Col. 4, line 51 thru col. 7, line 45; col. 25, lines 56-59, col. 26, line 65 thru col. 27, line 31)

Furthermore, Cornelius discloses means for evaluating payment criteria and providing payment (Figure 31, col. 20, line 5-31, col. 23, lines 15-31, Figure 18-20, steps 1808, 1812, where due diligence check is made prior to authorizing payment to seller by the Bank).

As per claim 12, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Cornelius further teaches wherein the first set of criteria comprises at least one of a credit exposure of the buyer being evaluated by the system to be within a specified maximum credit exposure (Col. 20, line 58 thru col. 21, line 4; teaches that the buyer is evaluated to determine their line of credit which is the Examiner asserts is equivalent to determining if the buyer is in a specified maximum credit exposure),

Conklin discloses the seller being evaluated by the system to have complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications (Figure 1g (68) Deal concluded and archived; Figure 8 (580, 585) shows that the shipper has indicated in the database that the products have been shipped thus

evaluating if the shipper has complied with their obligations to ship the product. Figures 15a-23; Figure 30; col. 15, lines 7-12 removing non-complaint participants).

As per claim 13, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein the evaluating whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications comprises electronically evaluating whether the seller has complied with a part of the seller's obligations as defined by the purchase order agreement as modified by any modifications, and wherein the electronically providing a payment instruction if the seller has been evaluated to have complied with the part of the seller's obligations as defined by the purchase order agreement as modified by any modifications (Figure 1g (68) Deal concluded and archived; Figure 8 (580, 585) shows that the shipper has indicated in the database that the products have been shipped thus evaluating if the shipper has complied with their obligations to ship the product. Figures 15a-23; Figure 30; col. 15, lines 7-12 removing non-complaint participants. Figure 17, Figure 30; col. 26, line 65 thru col. 27, line 31; disclose that all participants are continually notified by email).

While Conklin discloses evaluating whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications. Conklin does not disclose that the evaluating is performed electronically.

However, Cornelius discloses **electronically** evaluating whether the seller has complied with the seller's obligation as defined by the purchase order agreement as modified by any modifications (Figures 23-25, 31-32 and col. 23, lines 15-55).

It would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method of Conklin the electronic compliance evaluation taught in Cornelius so that once the compliance engine finds all structured fields/tag are in compliance, an automatic signal is sent to the bank/buyer for payment authorization and anytime the value of the data falls outside the parameter of the structure field, it is rejected and a rejection will automatically be sent and highlighted to both buyer and seller electronically for further negotiation.

As per claim 18, Conklin discloses a computerized method for facilitating transactions in goods or services (Abstract), the method comprising:

electronically procuring of a purchase order agreement over an electronic communication network between a seller and a buyer, the purchase order agreement being stored electronically on a computer-readable storage medium and relating to a transaction in one or more goods or services (Figure 1h, col. 5, lines 35-40; col.7, lines 30-41; col. 13, lines 51-63 iterative bargaining and purchasing over a network which enables buyers and sellers to negotiate prices, terms, and conditions iteratively until an agreement is reached; provides a database for storing, archiving and accessing all transactions and documents; col. 14, lines 21-26 maintains internal databases with the terms of our **Purchase Order**, Figure 18 Notification of **Purchase Order** Acceptance); receiving a proposed modification to the purchase order agreement (Col. 13, lines 51-55, Col. 14, lines 27-30, Col. 20, lines 23-34; disclose that the process is iterative and until the process is accessed all modifications are proposed modifications, these proposals are received in the system);

notifying at least one of the seller and buyer of the proposed modification (Col. 20, lines 49-63; discloses that each user with their corresponding rights can access and be notified of the proposals concerning their orders, thus a notification has been provided to both the seller and the buyer);

electronically modifying of the purchase order agreement upon agreement by the seller and the buyer to the modification (col. 13, lines 51-63; iterative bargaining and purchasing over a network which enables buyers and sellers to negotiate prices, terms, and conditions iteratively until an agreement is reached; provides a database for storing, archiving and accessing all transactions and documents; col. 14, lines 21-26; maintain internal databases that contain a history of all transactions, Figure 11a-1; In accordance with the terms of our **Purchase Order**, Figure 18; Notification of **Purchase Order** Acceptance; Figure 1e (244) state **changes**; col. 13, lines 51-55; col. 14, lines 27-30; provides comprehensive iterative bargaining abilities for both buyers and sellers that enable them to negotiate all the terms and conditions of transaction col.24, lines 1-41 keeps track of each set of changes and can display them; col. 24, line 66 thru col. 26, line 18; Iterative multivariate negotiations);

receiving and storing electronic evidence that the seller has performed in connection with fulfilling the seller's obligations as defined by the purchase order agreement (Figure 1g (68) **Deal concluded and archived**; Figure 8 (580, 585); Figures 15a-23; Figure 30; col. 14, lines 59-62 complete histories of each stage of the negotiation processes are available for tracking and analysis which promotes non-repudiation of negotiated terms; Figure 30, col. 26, lines 65 thru col. 27, documentary

collection payment methods, purchase order payment methods, procurement cards and similar methods can be used and negotiated using this invention; col. 6, lines 20-21);

electronically evaluating by a computer processor whether the seller has complied with the seller's obligations as defined by the purchase order agreement (Applicant's specification page 29, lines 9-16; state that the "electronic evidence that the seller has performed in connection with fulfilling the seller's obligations as defined by the purchase order agreement as modified by any modifications. This step may represent the seller or other party entering in data to be stored in the trade database 116, such as electronic forms or documents, Indicating or proving that the seller has shipped goods to the buyer, the type and quantity of goods etc." From this the Examiner asserts that the evidence is merely an indication in the files that show the shipper has shipped the goods. Figure 1g (68) Deal concluded and archived; Figure 8 (580, 585) shows that the shipper has indicated in the database that the products have been shipped thus evaluating if the shipper has complied with their obligations to ship the product. Figures 15a-23; Figure 30; col. 15, lines 7-12 removing non-complaint participants; col. 27, lines 6-10 in a proposed letter of credit, such as shown in Figure 16, the buyer's bank assumes the full credit risk and is absolutely obligated to pay the seller provided the seller ships goods in a way that conforms to every detail to the terms of the letter of credit);

electronically providing a payment instruction if the seller has been evaluated to have complied with the seller's obligations as defined by the purchase order agreement

(Figure 17, Figure 30; col. 26, line 65 thru col. 27, line 31; disclose that all participants are continually notified by email); and

receiving and storing on a computer-readable storage medium electronic evidence that the buyer has made one or more payments in connection with fulfilling buyer's obligations as defined by the purchase order agreement as modified by any modifications (Figure 1g (68) **Deal concluded and archived**; Figure 8 (580, 585); Figures 15a-23; Figure 30; col. 14, lines 59-62 complete histories of each stage of the negotiation processes are available for tracking and analysis which promotes non-repudiation of negotiated terms; Figure 30, col. 26, lines 65 thru col. 27, line 31, documentary collection payment methods, purchase order payment methods, procurement cards and similar methods can be used and negotiated using this invention; col. 6, lines 20-21).

While Conklin discloses evaluating whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications. Conklin does not disclose that the evaluating is performed electronically. Conklin further fails to explicitly disclose electronically evaluating by a computer processor the proposed modification, and notifying at least one of the seller and buyer of discrepancies identified by the evaluation of the proposed modification, the discrepancies including at least one of additional information required to complete the proposed modification and inconsistencies in the purchase order agreement.

However, Cornelius discloses **electronically** evaluating whether the seller has complied with the seller's obligation as defined by the purchase order agreement as modified by any modifications (Figures 23-25, 31-32 and col. 23, lines 15-55).

Cornelius further teaches electronically evaluating by a computer processor the proposed modification, and notifying at least one of the seller and buyer of discrepancies identified by the evaluation of the proposed modification, the discrepancies including at least one of additional information required to complete the proposed modification and inconsistencies in the purchase order agreement (Col. 23, lines 22-45; disclose that each document is checked once signed by the seller or buyer for compliance and that upon completion a signal is sent to the bank/buyer it would have been obvious to use such evaluation means in Conklin to ensure each proposal is correct and accurate thus saving time, further if it does not pass as clean it is automatically sent and highlighted to both buyer and seller electronically. From this it is shown that inconsistencies are checked and highlighted for both the buyer and seller).

Cornelius further teaches different seller agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order agreement, and different buyer agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order modifications to the purchase order agreement; and proposed modifications to the purchase order agreement, and accepting proposed modifications to the purchase order agreement, are allowed by the computer processor

based on the respective buyer and seller agents' rights (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment. Col. 34, lines 38-45; disclose that the users can be identified and the agreement made based on this identification, the buy specifically is authenticated using a password, which entitles the user to use the system).

Therefore from this teaching of Cornelius, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method of Conklin the electronic compliance evaluation taught in Cornelius so that once the compliance engine finds all structured fields/tag are in compliance, an automatic signal is sent to the bank/buyer for payment authorization and anytime the value of the data falls outside the parameter of the structure field, it is rejected and a rejection will automatically be sent and highlighted to both buyer and seller electronically for further negotiation.

While Conklin and Cornelius discuss user access levels and rights, the combination of Conklin and Cornelius fails to explicitly show that the rights and

privileges are set for each user regarding a purchase order and the rights of the user who are buying and selling.

Barnes, which talks about an electronic procurement system and method for trading partners, teaches where the access rights and privileges of users is set for a purchase order (Col. 3, lines 13-20 and Col. 4, lines 5-25; teach that users are assigned authorization levels which allow them to purchase goods consistent with the user's level of authorization thus different users have different rights, when combined with Conklin and Cornelius it would have been obvious to set the rights of each user, buyer or seller, with different levels, to prevent abuses from within an organization as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system).

Therefore, from this teaching of Barnes, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method provided by the combination of Conklin and Cornelius, with the user access levels being set for each user as taught by Barnes, for the purpose of preventing abuse in the system as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system.

As per claim 24, Conklin discloses a computerized method for facilitating transactions (Abstract), comprising:

electronically storing on a computer-readable storage medium a purchase order agreement between a seller and a buyer relating to a transaction in one or more goods, services, or both (Col. 30 line 33 thru col. 31 line 25; disclose that as part of the iterative process each round of negotiation or modification are saved in order for dispute purposes later);

receiving over an electronic communication network a proposed modification to the purchase order agreement (Col. 30 line 33 thru col. 31 line 25; disclose that as part of the iterative process each round of negotiation or modification are saved in order for dispute purposes later);

electronically storing the proposed modification on computer-readable storage medium (Col. 30 line 33 thru col. 31 line 25; disclose that as part of the iterative process each round of negotiation or modification are saved in order for dispute purposes later).

receiving and storing electronic evidence that the seller has performed as least part of an obligation of the seller defined by the modified purchase order agreement (Figure 1g (68) **Deal concluded and archived**; Figure 8 (580, 585); Figures 15a-23; Figure 30; col. 14, lines 59-62 complete histories of each stage of the negotiation processes are available for tracking and analysis which promotes non-repudiation of negotiated terms; Figure 30, col. 26, lines 65 thru col. 27, documentary collection payment methods, purchase order payment methods, procurement cards and similar methods can be used and negotiated using this invention; col. 6, lines 20-21);

electronically evaluating by the computer processor whether the seller has fulfilled the obligation of the seller (Applicant's specification page 29, lines 9-16; state

that the "electronic evidence that the seller has performed in connection with fulfilling the seller's obligations as defined by the purchase order agreement as modified by any modifications. This step may represent the seller or other party entering in data to be stored in the trade database 116, such as electronic forms or documents, Indicating or proving that the seller has shipped goods to the buyer, the type and quantity of goods etc." From this the Examiner asserts that the evidence is merely an indication in the files that show the shipper has shipped the goods. Figure 1g (68) Deal concluded and archived; Figure 8 (580, 585) shows that the shipper has indicated in the database that the products have been shipped thus evaluating if the shipper has complied with their obligations to ship the product. Figures 15a-23; Figure 30; col. 15, lines 7-12 removing non-complaint participants; col. 27, lines 6-10 in a proposed letter of credit, such as shown in Figure 16, the buyer's bank assumes the full credit risk and is absolutely obligated to pay the seller provided the seller ships goods in a way that conforms to every detail to the terms of the letter of credit); and

upon determination that the seller has fulfilled the obligation of the seller, providing a payment instruction to the buyer (Figure 17, Figure 30; col. 26, line 65 thru col. 27, line 31; disclose that all participants are continually notified by email).

While Conklin discloses evaluating whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications. Conklin does not disclose that the evaluating is performed electronically. Conkling further fails to explicitly disclose electronically evaluating by a computer processor the proposed modification, and notifying at least one of the seller and buyer

of discrepancies identified by the evaluation of the proposed modification, the discrepancies including at least one of additional information required to complete the proposed modification and inconsistencies in the purchase order agreement;

However, Cornelius discloses **electronically** evaluating whether the seller has complied with the seller's obligation as defined by the purchase order agreement as modified by any modifications (Figures 23-25, 31-32 and col. 23, lines 15-55).

Cornelius further teaches electronically evaluating by a computer processor the proposed modification, and notifying at least one of the seller and buyer of discrepancies identified by the evaluation of the proposed modification, the discrepancies including at least one of additional information required to complete the proposed modification and inconsistencies in the purchase order agreement (Col. 23, lines 22-45; disclose that each document is checked once signed by the seller or buyer for compliance and that upon completion a signal is sent to the bank/buyer it would have been obvious to use such evaluation means in Conklin to ensure each proposal is correct and accurate thus saving time, further if it does not pass as clean it is automatically sent and highlighted to both buyer and seller electronically. From this it is shown that inconsistencies are checked and highlighted for both the buyer and seller).

Cornelius further teaches different seller agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order agreement, and different buyer agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed

modifications to the purchase order modifications to the purchase order agreement; and proposed modifications to the purchase order agreement, and accepting proposed modifications to the purchase order agreement, are allowed by the computer processor based on the respective buyer and seller agents' rights (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment. Col. 34, lines 38-45; disclose that the users can be identified and the agreement made based on this identification, the buy specifically is authenticated using a password, which entitles the user to use the system).

Therefore from this teaching of Cornelius, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method of Conklin the electronic compliance evaluation taught in Cornelius so that once the compliance engine finds all structured fields/tag are in compliance, an automatic signal is sent to the bank/buyer for payment authorization and anytime the value of the data falls outside the parameter of the structure field, it is rejected and a rejection will automatically be sent and highlighted to both buyer and seller electronically for further negotiation.

While Conklin and Cornelius discuss user access levels and rights, the combination of Conklin and Cornelius fails to explicitly show that the rights and privileges are set for each user regarding a purchase order and the rights of the user who are buying and selling.

Barnes, which talks about an electronic procurement system and method for trading partners, teaches where the access rights and privileges of users is set for a purchase order (Col. 3, lines 13-20 and Col. 4, lines 5-25; teach that users are assigned authorization levels which allow them to purchase goods consistent with the user's level of authorization thus different users have different rights, when combined with Conklin and Cornelius it would have been obvious to set the rights of each user, buyer or seller, with different levels, to prevent abuses from within an organization as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system).

Therefore, from this teaching of Barnes, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method provided by the combination of Conklin and Cornelius, with the user access levels being set for each user as taught by Barnes, for the purpose of preventing abuse in the system as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system.

As per claim 25, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses receiving and storing electronic evidence that the buyer has made one or more payments in connection with fulfilling the buyer's obligations as defined by the modified purchase order agreement (Figure 7, col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, it would have been obvious that the payment information is included in this information since it is old and well know to track payment information to avoid possible double payment or not paying at all).

As per claim 26, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein receiving and storing the modification comprises:

forwarding the proposed modification to at least one of the buyer and the seller (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, during this process bother parties are communicating to come to the final terms. Col. 20, lines 49-63; discloses that each user with their corresponding rights can access and be notified of the proposals concerning their orders, thus a notification has been provided to both the seller and the buyer, thus the proposals are forward to both the buyer and seller);

receiving an acceptance of the proposed modification from at least one of the buyer and seller (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, during this process one of the parties receive an acceptance by the other party to the proposed terms); and

modifying the stored purchase order agreement to be consistent with the accepted modification (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up).

As per claim 27, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses prior to forwarding the proposed modification, electronically verifying by the computer processor that the proposal is made according to rights of at least one of the buyer and the seller (Col. 19, lines 27-38; discloses that the seller has to be registered in order to conduct business on the system. Col. 19, lines 48-57; disclose that the buy is also checked to ensure they have the appropriate rights to be on the system and this is done to prevent frivolous or fraudulent inquirers).

Barnes teaches where the access rights and privileges of users is set for a purchase order and that these rights are used to determine if a purchase can be made according to the users authorization level (Col. 3, lines 13-20 and Col. 4, lines 5-25; teach that users are assigned authorization levels which allow them to purchase goods consistent with the user's level of authorization thus different users have different rights, when combined with Conklin and Cornelius it would have been obvious to set the rights of each user, buyer or seller, with different levels, to prevent abuses from within an organization as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system).

As per claim 28, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses storing a plurality of proposed modifications to the purchase order agreement based on the order in which they are communicated between the seller and the buyer (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up).

As per claim 29, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses storing an indication of the entity responsible for proposing the modification (Col. 30 line 33 thru col. 31, line 25; discloses

that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up. It also shows that the system tracks each round by user name and password to prove which party is responsible for each modification).

As per claim 30, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses upon determining that a set of payment guarantee criteria are met, providing a payment guarantee to the seller to guarantee payment by the buyer (Col. 27, lines 3-25; disclose that the method of payment could be a Letter of credit this guarantees the seller payment if they have met all the requirements of the purchase order).

As per claim 31, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Cornelius further teaches wherein the set of payment guarantee criteria comprises a credit exposure of the buyer being within a specified maximum credit exposure (Col. 20, line 58 thru col. 21, line 4; that the bank checks the buys line of credit which is considered by the Examiner to be equivalent to a specified maximum credit exposure).

As per claim 32, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses storing an electronic proposal of a first modification only in accordance with rights associated with the user attempting to implement the first proposal (Col. 30 line 33 thru col. 31, line 25; discloses that through

out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up and they are all stored in the system);

Conklin further discloses storing a first electronic acceptance of a proposed modification only in accordance with rights associated with the user attempting to implement the first electronic acceptance (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up, it also shows that terms are accepted during this process),

Cornelius further teaches receiving an assignment of the different rights of the different seller agents from a system administrator within an organization of the seller through the computerized system (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-

based access control establishes access rights and profiles based on job functions within the environment), and

Cornelius further teaches receiving an assignment of the different rights of the different buyer agents are from a system administrator within an organization of the buyer through the computerized system (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment).

As per claim 33, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein the electronic negotiation comprises a first one of the seller and the buyer communicating to a second one of the seller and the buyer one or more first proposed modifications to one or more terms of the purchase order agreement (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new

terms are brought up. From this it is shown that the two parties are allowed to communicate).

As per claim 34, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein the electronic negotiation comprises the second one of the seller and the buyer communicating to the first one of the seller and the buyer an action selected from the group of accepting the first proposed modifications, declining the first proposed modifications, and communicating to the first one of the buyer and the seller one or more second proposed modifications (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up. From this it is shown that the two parties are allowed to communicate and it is also shown that the buyer and seller can either accept decline or propose modifications to the terms during the negotiation process).

As per claim 35, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein the electronic negotiation comprises modifying the purchase order agreement in accordance with any modifications that have been proposed by the first one of the seller and the buyer and accepted by the second one of the seller and the buyer, and in accordance with any modifications that have been proposed by the second one of the seller and the buyer

and accepted by the first one of the seller and the buyer (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up. From this it is shown that the two parties are allowed to communicate and it is also shown that the buyer and seller can either accept decline or propose modifications to the terms during the negotiation process).

As per claim 36, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein the negotiation comprises storing, for reference, electronic records indicating any proposed modifications to the purchase order agreement and any accepted modifications to the purchase order agreement (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up. From this it is shown that the two parties are allowed to communicate and it is also shown that the buyer and seller can either accept decline or propose modifications to the terms during the negotiation process).

The fact that a system allows a modification of the purchase order or negotiation between the seller and the buyer is not a positive limitation. "Allowing a modification" or

"allowing a negotiation" simply means that nothing is done to stop or hinder the modification or negotiation. "Allowing" a modification or negotiation means that the system makes possible for the modification or negotiation to take place without opposing or prohibiting the action.

As per claim 39, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Cornelius teaches receiving an assignment of rights of a first seller agent to a second seller agent from a system administrator within an organization of the seller through the computerized system (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment).

The Examiner asserts that the fact that the rights are assigned "by a system administrator within a buyer/seller organization", that the agreement is a "purchase order" agreement "between a buyer and a seller relating to a transaction in one or more goods or services". the name of the parties modifying the agree (buyer and seller), the type of evidence received and stored are all non-functional descriptive data.

When presented with a claim comprising descriptive material, an Examiner must determine whether the claimed non-functional descriptive material should be given

patentable weight. The Patent and Trademark Office (PTO) must consider all claim limitations when determining patentability of an invention over the prior art. *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983). The PTO may not disregard claim limitations comprised of printed matter. *See Gulack*, 703 F.2d at 1384-85, 217 USPQ at 403; see also *Diamond v. Diehr*, 450 U.S. 175, 191, 209 USPQ 1, 10 (1981). However, the examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. See *In re Lowry*, 32 F.3d 1579, 1583-84, 32 USPQ2d 1031, 1035 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is non-functional and will not be given any patentable weight. That is, such a scenario presents no new and unobvious functional relationship between the descriptive material and the substrate.

The Examiner asserts that the data that the rights are assigned by the system administration of the buyer/seller organization, etc. adds little, if anything, to the claimed structure and thus do not serve as limitations on the claims to distinguish over the prior art. MPEP 2106IV b 1(b) indicates that "nonfunctional descriptive material" is material "that cannot exhibit any functional interrelationship with the way the steps are performed." Any differences related merely to the meaning and information conveyed through data which does not explicitly alter or impact the structure is non-functional descriptive data. Except for the meaning to the human mind, this data does not

functionally relate to the substrate and thus does not change the structure of the system as claimed. The subjective interpretation of the data does not patentably distinguish the claimed invention.

As per claim 40, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Cornelius further teaches receiving an assignment of rights of a first buyer agent to a second buyer agent from a system administrator within an organization of the buyer through the computerized system (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment).

The Examiner asserts that the fact that the rights are assigned "by a system administrator within a buyer/seller organization", that the agreement is a "purchase order" agreement "between a buyer and a seller relating to a transaction in one or more goods or services". the name of the parties modifying the agree (buyer and seller), the type of evidence received and stored are all non-functional descriptive data.

When presented with a claim comprising descriptive material, an Examiner must determine whether the claimed non-functional descriptive material should be given patentable weight. The Patent and Trademark Office (PTO) must consider all claim

limitations when determining patentability of an invention over the prior art. *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983). The PTO may not disregard claim limitations comprised of printed matter. *See Gulack*, 703 F.2d at 1384-85, 217 USPQ at 403; see also *Diamond v. Diehr*, 450 U.S. 175, 191, 209 USPQ 1, 10 (1981). However, the examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84, 32 USPQ2d 1031, 1035 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is non-functional and will not be given any patentable weight. That is, such a scenario presents no new and unobvious functional relationship between the descriptive material and the substrate.

The Examiner asserts that the data that the rights are assigned by the system administration of the buyer/seller organization, etc. adds little, if anything, to the claimed structure and thus do not serve as limitations on the claims to distinguish over the prior art. MPEP 2106IV b 1(b) indicates that "nonfunctional descriptive material" is material "that cannot exhibit any functional interrelationship with the way the steps are performed." Any differences related merely to the meaning and information conveyed through data which does not explicitly alter or impact the structure is non-functional descriptive data. Except for the meaning to the human mind, this data does not functionally relate to the substrate and thus does not change the structure of the system

as claimed. The subjective interpretation of the data does not patentably distinguish the claimed invention.

As per claim 41, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Cornelius teaches receiving an assignment of rights of a first seller agent to a second seller agent from a system administrator within an organization of the seller through the computerized system (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment).

The Examiner asserts that the fact that the rights are assigned "by a system administrator within a buyer/seller organization", that the agreement is a "purchase order" agreement "between a buyer and a seller relating to a transaction in one or more goods or services". the name of the parties modifying the agree (buyer and seller), the type of evidence received and stored are all non-functional descriptive data.

When presented with a claim comprising descriptive material, an Examiner must determine whether the claimed non-functional descriptive material should be given patentable weight. The Patent and Trademark Office (PTO) must consider all claim limitations when determining patentability of an invention over the prior art. *In re Gulack*,

703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983). The PTO may not disregard claim limitations comprised of printed matter. *See Gulack*, 703 F.2d at 1384-85, 217 USPQ at 403; see also *Diamond v. Diehr*, 450 U.S. 175, 191, 209 USPQ 1, 10 (1981). However, the examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. See *In re Lowry*, 32 F.3d 1579, 1583-84, 32 USPQ2d 1031, 1035 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is non-functional and will not be given any patentable weight. That is, such a scenario presents no new and unobvious functional relationship between the descriptive material and the substrate.

The Examiner asserts that the data that the rights are assigned by the system administration of the buyer/seller organization, etc. adds little, if anything, to the claimed structure and thus do not serve as limitations on the claims to distinguish over the prior art. MPEP 2106IV b 1(b) indicates that "nonfunctional descriptive material" is material "that cannot exhibit any functional interrelationship with the way the steps are performed." Any differences related merely to the meaning and information conveyed through data which does not explicitly alter or impact the structure is non-functional descriptive data. Except for the meaning to the human mind, this data does not functionally relate to the substrate and thus does not change the structure of the system

as claimed. The subjective interpretation of the data does not patentably distinguish the claimed invention.

As per claim 42, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Cornelius further teaches receiving an assignment of rights of a first buyer agent to a second buyer agent from a system administrator within an organization of the buyer through the computerized system (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment).

The Examiner asserts that the fact that the rights are assigned "by a system administrator within a buyer/seller organization", that the agreement is a "purchase order" agreement "between a buyer and a seller relating to a transaction in one or more goods or services". the name of the parties modifying the agree (buyer and seller), the type of evidence received and stored are all non-functional descriptive data.

When presented with a claim comprising descriptive material, an Examiner must determine whether the claimed non-functional descriptive material should be given patentable weight. The Patent and Trademark Office (PTO) must consider all claim limitations when determining patentability of an invention over the prior art. *In re Gulack*,

703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983). The PTO may not disregard claim limitations comprised of printed matter. *See Gulack*, 703 F.2d at 1384-85, 217 USPQ at 403; see also *Diamond v. Diehr*, 450 U.S. 175, 191, 209 USPQ 1, 10 (1981). However, the examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. See *In re Lowry*, 32 F.3d 1579, 1583-84, 32 USPQ2d 1031, 1035 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is non-functional and will not be given any patentable weight. That is, such a scenario presents no new and unobvious functional relationship between the descriptive material and the substrate.

The Examiner asserts that the data that the rights are assigned by the system administration of the buyer/seller organization, etc. adds little, if anything, to the claimed structure and thus do not serve as limitations on the claims to distinguish over the prior art. MPEP 2106IV b 1(b) indicates that "nonfunctional descriptive material" is material "that cannot exhibit any functional interrelationship with the way the steps are performed." Any differences related merely to the meaning and information conveyed through data which does not explicitly alter or impact the structure is non-functional descriptive data. Except for the meaning to the human mind, this data does not functionally relate to the substrate and thus does not change the structure of the system

as claimed. The subjective interpretation of the data does not patentably distinguish the claimed invention.

As per claim 43, Conklin discloses a computer-readable storage medium, bearing instructions that, when executed by a computer, cause the computer to perform steps including:

procuring of a purchase order agreement between a seller and a buyer and relating to a transaction in one or more goods or services, and for electronically storing the purchase order agreement (Figure 1h, col. 5, lines 35-40; col.7, lines 30-41; col. 13, lines 51-63 iterative bargaining and purchasing over a network which enables buyers and sellers to negotiate prices, terms, and conditions iteratively until an agreement is reached; provides a means for storing, archiving and accessing all transactions and documents; col. 14, lines 21-26 maintains internal databases with the terms of our **Purchase Order**, Figure 18 Notification of **Purchase Order** Acceptance);

receiving a proposed modification to the purchase order agreement (Col. 13, lines 51-55, Col. 14, lines 27-30, Col. 20, lines 23-34; disclose that the process is iterative and until the process is accessed all modifications are proposed modifications, these proposals are received in the system);

notifying at least one of the seller and buyer of the proposed modification (Col. 20, lines 49-63; discloses that each user with their corresponding rights can access and be notified of the proposals concerning their orders, thus a notification has been provided to both the seller and the buyer);

modifying of the purchase order agreement upon agreement by the seller and the buyer to the proposed modification (col. 13, lines 51-63; iterative bargaining and purchasing over a network which enables buyers and sellers to negotiate prices, terms, and conditions iteratively until an agreement is reached; provides a means for storing, archiving and accessing all transactions and documents; col. 14, lines 21-26; maintain internal databases that contain a history of all transactions, Figure 11a-1; In accordance with the terms of our **Purchase Order**, Figure 18; Notification of **Purchase Order** Acceptance; Figure 1e (244) state **changes**; col. 13, lines 51-55; col. 14, lines 27-30; provides comprehensive iterative bargaining abilities for both buyers and sellers that enable them to negotiate all the terms and conditions of transaction col.24, lines 1-41 keeps track of each set of changes and can display them; col. 24, line 66 thru col. 26, line 18; Iterative multivariate negotiations);

receiving and storing electronic evidence that the seller has performed in connection with fulfilling the seller's obligations as defined by the purchase order agreement as modified by any modifications (Figure 1g (68) **Deal concluded and archived**; Figure 8 (580, 585); Figures 15a-23; Figure 30; col. 14, lines 59-62 complete histories of each stage of the negotiation processes are available for tracking and analysis which promotes non-repudiation of negotiated terms; Figure 30, col. 26, lines 65 thru col. 27, documentary collection payment methods, purchase order payment methods, procurement cards and similar methods can be used and negotiated using this invention; col. 6, lines 20-21);

electronically evaluating by the computer processor whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications (Applicant's specification page 29, lines 9-16; state that the "electronic evidence that the seller has performed in connection with fulfilling the seller's obligations as defined by the purchase order agreement as modified by any modifications. This step may represent the seller or other party entering in data to be stored in the trade database 116, such as electronic forms or documents, indicating or proving that the seller has shipped goods to the buyer, the type and quantity of goods etc." From this the Examiner asserts that the evidence is merely an indication in the files that show the shipper has shipped the goods. Figure 1g (68) Deal concluded and archived; Figure 8 (580, 585) shows that the shipper has indicated in the database that the products have been shipped thus evaluating if the shipper has complied with their obligations to ship the product. Figures 15a-23; Figure 30; col. 15, lines 7-12 removing non-complaint participants; col. 27, lines 6-10 in a proposed letter of credit, such as shown in Figure 16, the buyer's bank assumes the full credit risk and is absolutely obligated to pay the seller provided the seller ships goods in a way that conforms to every detail to the terms of the letter of credit);

electronically providing a payment instruction if the seller has been evaluated to have complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications (Figure 17, Figure 30; col. 26, line 65 thru col. 27, line 31; disclose that all participants are continually notified by email); and

receiving and storing electronic evidence that the buyer has made one or more payments in connection with fulfilling buyer's obligations as defined by the purchase order agreement as modified by any modifications (Figure 1g (68) **Deal concluded and archived**; Figure 8 (580, 585); Figures 15a-23; Figure 30; col. 14, lines 59-62 complete histories of each stage of the negotiation processes are available for tracking and analysis which promotes non-repudiation of negotiated terms; Figure 30, col. 26, lines 65 thru col. 27, line 31, documentary collection payment methods, purchase order payment methods, procurement cards and similar methods can be used and negotiated using this invention; col. 6, lines 20-21),

wherein the modification of the purchase order agreement comprises c negotiations between the seller and the buyer relating to the modification (Col. 14, lines 27-30; disclose that the system allows both parties the buyer and the seller to negotiate iteratively thus negotiating all of the terms of the purchase order during the process electronically).

While Conklin discloses evaluating whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications. Conklin does not disclose that the evaluating is performed electronically. Conklin further fails to explicitly disclose electronically evaluating by a computer processor the proposed modification, and notifying at least one of the seller and buyer of discrepancies identified by the evaluation of the proposed modification, the discrepancies including at least one of additional information required to complete the proposed modification and inconsistencies in the purchase order agreement.

However, Cornelius discloses **electronically** evaluating whether the seller has complied with the seller's obligation as defined by the purchase order agreement as modified by any modifications (Figures 23-25, 31-32 and col. 23, lines 15-55).

Cornelius further teaches electronically evaluating by a computer processor the proposed modification, and notifying at least one of the seller and buyer of discrepancies identified by the evaluation of the proposed modification, the discrepancies including at least one of additional information required to complete the proposed modification and inconsistencies in the purchase order agreement (Col. 23, lines 22-45; disclose that each document is checked once signed by the seller or buyer for compliance and that upon completion a signal is sent to the bank/buyer it would have been obvious to use such evaluation means in Conklin to ensure each proposal is correct and accurate thus saving time, further if it does not pass as clean it is automatically sent and highlighted to both buyer and seller electronically. From this it is shown that inconsistencies are checked and highlighted for both the buyer and seller).

Cornelius further teaches different seller agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order agreement, and different buyer agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order modifications to the purchase order agreement; and proposed modifications to the purchase order agreement, and accepting proposed modifications to the purchase order agreement, are allowed by the computer processor

based on the respective buyer and seller agents' rights (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment. Col. 34, lines 38-45; disclose that the users can be identified and the agreement made based on this identification, the buy specifically is authenticated using a password, which entitles the user to use the system).

Therefore from this teaching of Cornelius, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method of Conklin the electronic compliance evaluation taught in Cornelius so that once the compliance engine finds all structured fields/tag are in compliance, an automatic signal is sent to the bank/buyer for payment authorization and anytime the value of the data falls outside the parameter of the structure field, it is rejected and a rejection will automatically be sent and highlighted to both buyer and seller electronically for further negotiation.

While Conklin and Cornelius discuss user access levels and rights, the combination of Conklin and Cornelius fails to explicitly show that the rights and

privileges are set for each user regarding a purchase order and the rights of the user who are buying and selling.

Barnes, which talks about an electronic procurement system and method for trading partners, teaches where the access rights and privileges of users is set for a purchase order (Col. 3, lines 13-20 and Col. 4, lines 5-25; teach that users are assigned authorization levels which allow them to purchase goods consistent with the user's level of authorization thus different users have different rights, when combined with Conklin and Cornelius it would have been obvious to set the rights of each user, buyer or seller, with different levels, to prevent abuses from within an organization as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system).

Therefore, from this teaching of Barnes, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method provided by the combination of Conklin and Cornelius, with the user access levels being set for each user as taught by Barnes, for the purpose of preventing abuse in the system as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system.

(10) Response to Argument

3. In response to the appellant's argument that, "the rejection cites to art that discloses security procedures, controls, and systems designed to manage programmers

during a development phase of a system. The rejection presumes that one of skill in the art would adapt these development practices for use by end users of the final system, although the art of record does not so indicate," the Examiner respectfully disagrees. The recited passage of Cornelius Col. 75-76 is stating one example of where the process can be used but is not the only example. Specifically Col. 76, lines 1-20 talk about the assignment of cases to specific roles and to individuals and assigning priority. While this can be used in other environment as suggested by the reference it is not limited to only those examples since it clearly deals with cases and assigning those cases. Specifically Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. This is shown to be a common technique thus would have been obvious to one having ordinary skill to use this common technique for the purposes of security and performing controlled data access. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment. Col. 34, lines 38-45; disclose that the users can be identified and the agreement made based on this identification, the buy specifically is authenticated using a password, which entitles the user to use the system. These passages are not merely directed toward a negotiation of terms and authentication as suggested by the applicant. Rather as shown above these portions of the Cornelius specifically state it is known to set up "which roles exist", "Which roles can perform which tasks", "Which individuals can fill which roles" and the "Re-assignment of cases",

which clearly show that different users have different roles and those roles correspond to different rights and access in the system. When combined with Barnes it shows that this type of user access and rights management can be applied to various fields including those pertaining to purchase order agreement. The Examiner asserts that when combined as done in the above rejection the references read over the claims as currently written, therefore the rejections have been maintained.

4. In response to the appellant's argument that, "the rejection does not show that the cited art discloses the specifically-recited features of different users having different rights with regard to electronically proposing and/or accepting modifications to a purchase order agreement," the Examiner respectfully disagrees. As discussed above Specifically Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. This is shown to be a common technique thus would have been obvious to one having ordinary skill to use this common technique for the purposes of security and performing controlled data access. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment. Col. 34, lines 38-45; disclose that the users can be identified and the agreement made based on this identification, the buy specifically is authenticated using a password, which entitles the user to use the system. These passages are not merely directed toward a negotiation of terms and authentication as suggested by the applicant. Rather as shown above these portions of the Cornelius specifically state it is known to

set up "which roles exist", "Which roles can perform which tasks", "Which individuals can fill which roles" and the "Re-assignment of cases", which clearly show that different users have different roles and those roles correspond to different rights and access in the system. When combined with Barnes it shows that this type of user access and rights management can be applied to various fields including those pertaining to purchase order agreement. Since the combination of references read over the claims as currently written the Examiner asserts that the rejection does show the specifically-recited features and as such reads over the claims as currently written, therefore the rejections have been maintained.

5. In response to the appellant's argument that, "The "users" in this portion of the disclosure are programmers, not buyers or sellers that are "users" of the completed system described in the first portion of Cornelius. The only cited portion of Cornelius that relates to buyers and sellers within the operating system, i.e., the end users of the system, is in column 34, which suggests authenticating a buyer using a password. However, this authentication is simply unrelated to the developer-based access rights disclosed in the later portions of Cornelius," the Examiner respectfully disagrees. As stated above the recited passage of Cornelius Col. 75-76 is stating one example of where the process can be used but is not the only example. Specifically Col. 76, lines 1-20 talk about the assignment of cases to specific roles and to individuals and assigning priority. While this can be used in other environment as suggested by the reference it is not limited to only those examples since it clearly deals with cases and assigning those cases. Specifically Col. 81, lines 49-55; teach that access control functions, the

common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. This is shown to be a common technique thus would have been obvious to one having ordinary skill to use this common technique for the purposes of security and performing controlled data access. As stated by the applicant Cornelius shows that buyers must have a user name and password to be authenticated, the other portions of Cornelius show it would have been obvious to use a grouping of the users for security purposes. As stated above this is a "common technique" and as such would have been obvious to use to ensure access control as stated in Cornelius. Since the appellant has failed to show why this would have not be obvious to use with the buyers and sellers, the Examiner asserts that the combined references read over the limitations as currently written, and therefore the rejections have been maintained.

6. In response to the appellant's argument that, "There is no suggestion in Cornelius to use or modify the development framework principles that were used to design the system to apply to the actual end user buyer and sellers of the completed system. In fact, one of skill in the art would have no reason to make such a modification to Cornelius or to a combined Conklin/Cornelius system as proposed by the Office Action. The access principles in Cornelius are directed to restricting use of programming or other development resources, for example to control who can modify source code of the application. Users of the operational system would have no reason to seek access to the underlying software, nor would there be any reason for the system to provide such access, even in a limited fashion. Similarly, the other "workflows," role

assignments, and grants of authority in the cited portion of Cornelius exist context that would be pointless to or unusable by any end users of the system, i.e., buyers and sellers," the Examiner respectfully disagrees. As shown in Cornelius the user would want to use these types of techniques where security is a concern, which is clearly the case in business transactions. From this the Examiner asserts that one having ordinary skill would have found it obvious to apply these techniques to any workflow process which security and multiple users are involved, since as stated in Cornelius it is a common technique to assign different groups different rights. The portions of Cornelius are not used to show or reference the programming of the software but rather to show a common technique for managing the access of data. As stated in Cornelius, this technique is commonly used whenever there is desire to control the access rights of users. In this case the reference shows that it is known to control the access rights of different users and common technique for doing so is to group users into different groups. As stated above When combined with Barnes it shows that this type of user access and rights management can be applied to various fields including those pertaining to purchase order agreement. Since the combination of references read over the claims as currently written the Examiner asserts that the rejection does show the specifically-recited features, as such the rejections have been maintained.

7. In response to the appellant's argument that, "even if the difference between developers and end users in Cornelius is ignored, Cornelius deals with workflow management and security. The relied-upon portions of Cornelius do not disclose the relevant feature of recognizing different seller agent users have different rights with

regard to electronically proposing modifications to a purchase order agreement and electronically accepting proposed modifications to the purchase order agreement, recognizing different buyer agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order agreement, or accepting proposed modifications to the purchase order agreement based on the respective buyer and seller agents' rights as recited in claim 4," the Examiner respectfully disagrees. As stated above Cornelius shows that it is a common technique for a system to recognize different user group having different access rights. The combination of Conklin, Cornelius and Barnes teach that it is known to set the access rights and privileges of users in a purchase order. Specifically Barnes Col. 3, lines 13-20 and Col. 4, lines 5-25; teaches that users are assigned authorization levels which allow them to purchase goods consistent with the user's level of authorization thus different users have different rights, when combined with Conklin and Cornelius it would have been obvious to set the rights of each user, buyer or seller, with different levels, to prevent abuses from within an organization as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system. From this combination one of ordinary skill would have found it obvious for the purposes of security to set up access rights to specific users to prevent abuses from within the organization thus providing a level of oversight. Since the combination of references read over the claims as

currently written the Examiner asserts that the rejection does show the specifically-recited features, as such the rejections have been maintained.

8. In response to the appellant's argument that, "The Office Action references portions of Cornelius that describe how a buyer and seller "are allowed to negotiate payment terms of a transaction using a chatroom" and "the identity of the buyer may be authenticated using a password." However, allowing negotiation of terms in a chatroom, and authenticating using a password, do not correspond to the specifically recited features regarding systems and methods including different seller and buyer agents users with different rights with regard to proposing modifications, and accepting proposed modifications, to a purchase order agreement, or allowing the proposed modifications to the purchase order agreement, and the accepting proposed modifications to the purchase order agreement, based on the respective buyer and seller agents' rights," the Examiner respectfully disagrees. Conklin shows that electronic modification of the purchase order agreement comprises electronic negotiation between the seller and the buyer relating to the modification (Col. 14, lines 27-30; disclose that the system allows both parties the buyer and the seller to negotiate iteratively thus negotiating all of the terms of the purchase order during the process electronically). Cornelius teaches it is known for a system to be configured to recognize different users which have different rights (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and

assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment. Col. 34, lines 38-45; disclose that the users can be identified and the agreement made based on this identification, the buy specifically is authenticated using a password, which entitles the user to use the system). Barnes teaches where the access rights and privileges of users is set for a purchase order (Col. 3, lines 13-20 and Col. 4, lines 5-25; teach that users are assigned authorization levels which allow them to purchase goods consistent with the user's level of authorization thus different users have different rights, when combined with Conklin and Cornelius it would have been obvious to set the rights of each user, buyer or seller, with different levels, to prevent abuses from within an organization as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system). The combination together shows a system in which users have different accounts which are verified through a user name and password and where the users can negotiate a purchase order. It also shows that it would have been obvious to restrict user access to the document based on the users grouping, for purposes of security both Cornelius and Barnes show that it is known to assign different users different rights and to enforce these rights as a matter of security to prevent abuse. The Examiner asserts that when combined as shown in the rejection, the references together read over the limitations of the claims and as such the rejection has been maintained.

9. In response to the appellant's argument that, "Barnes also fails to reasonably disclose or suggest these features. Barnes is directed to limiting the products/services available for acquisition consistent with a user's level of authorization for the acquisition of the goods/services from the supplier. These features do not reasonably correspond to the claimed features regarding recognizing different seller agent users have different rights with regard to proposing modifications to the purchase order agreement and accepting proposed modifications to the purchase order agreement. Nor do they reasonably correspond to recognizing different buyer agent users have different rights with regard to proposing modifications to the purchase order agreement and accepting proposed modifications to the purchase order agreement. For example, limiting the products/services available for acquisition to a user does not reasonably correspond to different rights with regard to proposing modifications to the purchase order agreement and accepting proposed modifications to the purchase order agreement. Moreover, the limitations placed on what is presented to the user in Barnes do not reasonably correspond to different seller agent users. Thus, Barnes cannot reasonably be considered to have suggested the features lacking in the other cited references," the Examiner respectfully disagrees. As shown above when read in combination the reference together teach the limitations of the claims. In response to arguing the references separately, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). In this case the references are part of a combination

where Barnes specifically taught that it is known to use the techniques shown in the other references in the purchase order environment, since the appellant has failed to show why this combination fails to teach the limitations of the claim and rather has merely stated that it does not teach it, the Examiner asserts that when combined as done above the references read over the claims as currently written and the rejections are therefore maintained.

10. All rejections made towards the dependent claims are maintained due to the lack of a reply by the appellant in regards to distinctly and specifically point out the supposed errors in the Examiner's action in the prior Office Action (37 CFR 1.111). The Examiner asserts that the applicant only argues that the dependent claims should be allowable because the independent claims are unobvious and patentable over Conklin in view of Cornelius, and in further view of Barnes.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

/PAUL R FISHER/

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